FARM BILL/Final Passage

SUBJECT: Agricultural Market Transition Act of 1996 . . . S. 1541. Final passage, as amended.

ACTION: BILL PASSED, 64-32

SYNOPSIS: As passed, S. 1541, the Agricultural Market Transition Act of 1996, will make sweeping changes to the Nation's farm policies. Details are provided below.

- Production Flexibility Contracts. Eligible producers (those producers who participated in the wheat, feed grains, cotton, or rice programs in any 1 year of the past 5 years) will be allowed to enter into 7-year production flexibility contracts between 1996 and 2002. Program participants will receive set annual payments based on past production. The total amount authorized will decline over 7 years from \$5.6 billion to \$4 billion. The maximum payment will be \$40,000. Payments will be made on 85 percent of a farm's contract acreage. On this acreage participants will be free to plant any program crop, extra long staple cotton, oilseed, industrial or experimental crop, mung beans, lentils, or dry peas. Planting of fruits and vegetables on contract acreage will be prohibited. Haying and grazing on payment acres during the 5 principal growing months will be prohibited. Other Federal restrictions will be eliminated. For related debate, see vote Nos. 17-18.
- "Non-recourse marketing assistance loans" (loans that may be repaid with the crops that are put up as collateral). Loan rates will remain at their 1995 levels through 2002. The Secretary of Agriculture will retain authority to make downward adjustments to wheat and feed grain loan rates. A minimum loan rate will be established for rice.
- Peanuts. The program will be extended through 2002, with a quota support rate of \$610/ton. The national poundage quota floor and undermarketing provisions will be eliminated. For related debate, see vote No. 13.
- Sugar. Marketing allotments will be terminated. A 1-cent penalty per pound will be imposed on forfeited sugar. Nonrecourse loans will only be given if imports exceed 1.5 million short tons. Loan rates will be held at their 1995 levels. The deficit reduction assessment will be increased. For related debate, see vote No. 16.
- Conservation. New entrants into the conservation reserve program will be permitted. The Environmental Quality Incentive Program (EQIP) will be established, which will combine several smaller programs that give assistance to farmers and ranchers in

(See other side)

	YEAS (64)			NAYS (32)		NOT VOTING (4)	
Republicans (44 or 88%)		Democrats (20 or 43%)	Republicans (6 or 12%)	Democrats (26 or 57%)	Republicans	Democrats (1)	
					(3)		
Abraham Ashcroft Bennett Bond Brown Burns Campbell Coats Cochran Coverdell Craig D'Amato DeWine Dole Faircloth Frist Gorton Grams Grassley Hatch Helms Hutchison	Inhofe Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Shelby Simpson Smith Specter Stevens Thomas Thompson Thurmond Warner	Akaka Baucus Biden Boxer Breaux Feinstein Ford Graham Heflin Inouye Johnston Leahy Lieberman Moseley-Braun Moynihan Nunn Pell Robb Simon Wyden	Chafee Cohen Gregg Jeffords Santorum Snowe	Bingaman Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Glenn Harkin Hollings Kennedy Kerrey Kerry Kohl Lautenberg Levin Mikulski Murray Pryor Reid Rockefeller Sarbanes Wellstone	1—Offic 2—Nece 3—Illne: 4—Othe SYMBO AY—Ar	r LS: nnounced Yea nnounced Nay ired Yea	

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improving the environment (see vote No. 15). The EQIP, the conservation reserve program, and the wetlands program will be placed under the Environmental Conservation Acreage Reserve Program. Producers will be allowed to seek permanent wetlands easements. The Agriculture Department will offer to "buy out" the acreage base of producers who farm frequently-flooded areas. A limited "conservation farm option" will be offered, in which price and income supports will be converted to environmentally conditioned "green payments." A non-profit foundation will be created to promote conservation.

- Exports. The Market Promotion Program will be capped at \$70 million per year; participation will be limited to cooperatives and small businesses; participation by foreign-owned companies will be barred. Export Enhancement Program expenditures will be capped.
- Miscellaneous. The Food Stamp Program and other nutrition programs will be reauthorized. The mandatory linkage of catastrophic crop insurance and eligibility for benefits from commodity programs will be severed, but producers will be required to waive all Federal disaster assistance if they opt not to purchase insurance. Permanent farm law (from 1938 and 1949) will not be repealed. Rates on Commodity Credit Corporation Loans will be raised by 100 basis points (1 percent; for related debate, see vote No. 11). Innovative range management methods developed in the Southwest will be encouraged. The Forest Service will not condition the renewal of a permit to transfer water from a reservoir across Federal lands to a community on that community giving up part of its water supply (the Forest Service has tried to force Boulder, Colorado, and other cities to give up one-third of their water in return for renewing their permits to move water across Federal lands). The Food Security Commodity Reserve Program and the Foreign Market Development Cooperator Program will be established. Ethanol research will be authorized. The fluid milk promotion program will be reauthorized. Funds will be provided for rural development and related activities. Standards will be set for the labeling of sheep carcasses, parts of sheep carcasses, and meat or meat food products of lamb or mutton. A pilot project will be created for crop insurance coverage that will indemnify crop losses due to natural disasters such as insect infestation.

Those favoring final passage contended:

The sweeping reforms in this bill will fundamentally change America's approach to agriculture. The strict, controlling policies of the Federal Government that were first established in the 1930s and which have been gradually lessened in the past several decades will be nearly eliminated by this bill. Farmers will be given 7-year income support contracts instead of assistance under a market-distorting target pricing system. They will also be given nearly complete flexibility to determine the crops they will plant, the amount of land that they will plant on, and when they will plant. The total amount of payments will decline gradually as farmers adjust to farming based on market conditions instead of Government directives. We are pleased to vote in favor of this bill, and we urge our colleagues to do likewise.

While favoring final passage, some Senators expressed the following reservations:

Farmers should have guarantees of price supports. Without such supports, they are at the mercy of large shippers, food processors, and banks when conditions are bad. This bill will change the focus of America's farm policies from one of giving support to one of giving a fixed amount of aid, in good times and in bad. Presumably, though not explicitly, this policy will eventually lead to the elimination of support payments. We think in good years the American public will be angry to see farmers with large profits getting income support payments from the Government, and they will insist on cuts in the program. Though we do not agree with this policy, we recognize that a better deal for farmers from this particular Congress is unlikely. Therefore, we will vote in favor of final passage.

Those opposing final passage contended:

We strongly support having a strong financial safety net for farmers. When prices are low, or harvests are poor, the Federal Government should help farmers. This bill will shred the safety net. Therefore, though we are pleased with many of this bill's features, such as its reauthorization of the Food Stamp Program and its new environmental initiatives, we must vote against final passage.